DOCUMENT RESUME

ED 312 097 RC 017 216

AUTHOR Wall, Milan; Luther, Vicki

TITLE Schools as Entrepreneurs: Helping Small Towns Survive.

INSTITUTION Heartland Center for Leadership Development, Lincoln, NE.
PUB DATE Sep 88
NOTE 32p.
AVAILABLE FROM Heartland Center for Leadership Development, 941 O Street, Suite 920, Lincoln, NE 68508.
PUB TYPE Reports - Descriptive (141) -- Guides - Non-Classroom Use (055)

EDRS PRICE MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS Cooperative Programs; *Economic Development; Economic Opportunities; *Entrepreneurship; High Schools; Job Skills; Rural Areas; Rural Schools; *School Business Relationship; School Community Relationship; *Work Experience
IDENTIFIERS *School Based Enterprises; *Small Towns

ABSTRACT

Because schools are often the biggest employers in rural areas, it may make sense for rural schools to initiate economic development partnerships with the community, rather than wait for business to take the initiative, as is more commonly the case with urban school-business partnerships. This booklet reports findings of a national research project to identify innovative school-based business projects. Seven schools were chosen for the range of innovative and promising school-based businesses they represented. A New York high school has a greenhouse, built by students, with annual plant sales of $1,000. In Iowa, high school students are operating a small-jobs subcontracting service. Students in Alaska plan an herbal export business; experience in searching for a feasible enterprise was a substantial part of the educational enterprise. High school students in Georgia operate a child development center and a swine breeding farm that sells feeder pigs. In North Carolina, high school students run a delicatessen with a monthly payroll of $7,000. Students in Indiana have two businesses: a pedigree hog enterprise and a truck and tractor salvage business. A South Dakota high school has altered its curriculum to provide marketing opportunities for students in several classes. The booklet examines legal considerations and enterprise selection and planning, and provides 10 strategies for school-based economic development. (DHP)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED312097

Schools As Entrepreneurs:

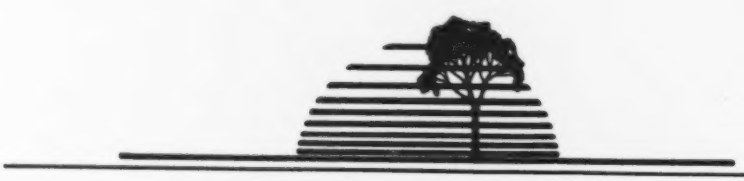
Helping Small Towns Survive

A Research Report by the

Heartland Center for Leadership Development

RC017216

BEST COPY AVAILABLE



BEST COPY AVAILABLE

Schools As Entrepreneurs:

Helping Small Towns Survive

A Research Report by the

Heartland Center for Leadership Development

Principal Investigators:

Milan Wall
Vicki Luther, Ed.D.

Editorial Assistance:
Sally Stoddard, Ph.D.
Kelley Baker, J.D.
Nicki Zangari

PLEASE NOTE:

The materials attached were produced by the Heartland Center for Leadership Development.

Quoting from these materials, for non-commercial purposes, is permitted, provided proper credit is given to the Heartland Center for Leadership Development.

© 1988 Heartland Center for Leadership Development

Preface

For many rural communities and small towns throughout our country, the presence of a school has always been linked to the survival of the community. Certainly for most towns in the West and Midwest, the public school was the sign of the establishment of culture and stability that marked the passage from "settlement" era to "settled" era. The town's school system embodied in many ways the hope that communities had for the future.

However, the last few decades have marked a new era for small communities. Faced with social and economic conditions that have shaken their confidence in the future and have threatened their very survival, many small towns are in transition, seeking new ways to regenerate their communities.

The Heartland Center for Leadership Development has visited, studied, and described communities that are meeting the challenge to survive with creative, positive, problem-solving approaches. The Heartland Center's research on healthy communities, (*Clues to Rural Community Survival, 1987*), demonstrated that small towns and rural communities successful in working toward revitalization have consistently taken advantage of the resources available to them.

Nevertheless, rural schools, long viewed as a community asset and a source of pride, typically remain isolated from economic development activities in struggling communities.

As the population continues to change dramatically, with fewer and fewer adults having school-age children, rural education institutions will remain an underutilized resource in many community revitalization programs. In these communities, a conscious effort needs to be made to provide opportunities for business and education leaders to begin working together toward a shared goal.

As keynote speakers for Pioneer Hi-Bred International "Search for Solutions" Conference on Education, March 15-17, 1988, in Des Moines, Iowa, we challenged the participants to seek ways to make the connection between rural education and economic development in their own communities.

In the past, partnerships between schools and communities have been developed mainly in urban centers, where large corporations have decided to make their resource base and expertise available to schools in trouble. The most common of these programs is typically known as "Adopt a School." While this approach makes sense in urban areas, we have theorized that in the smaller communities the partnership may flow more logically in the opposite direction. This is, in a small town the school is often the major employer and the locus for the largest concentration of people with higher levels of education. Given those circumstances, it seemed to us that the school might be the initiator of an economic development partnership with the community in the smaller town. While this is a very new concept, we thought that some research on the topic might help expand the vision of schools and communities to think in new ways.

One of the greatest barriers for communities working toward a business/education cooperative approach to economic development is the lack of information on workable models of school-business partnerships. The Heartland Center undertook a national research project to identify innovative school-based business projects as one way of underscoring the school-business partnership for economic development.

A survey instrument was designed by Marian Todd, project associate with the Heartland Center. The survey, which was mailed to educators and state departments of education throughout the U.S., asked for help in identifying those schools which are providing students with unique business-related educational opportunities.

Responses from the research survey were followed up with phone interviews by program associates Paul Sauser and Susan Hale. From this information, programs from seven schools were selected to be included in this research report. These seven programs were chosen for the range of innovative and promising school-based businesses that they represented.

This report, recently completed by the Heartland Center, is an attempt to provide information and support to those schools and communities interested in "making the connection" between rural education and economic development as they work toward a bright future for themselves and their communities.

Vicki Luther

Vicki Luther
September 1988

Milan Wall

Milan Wall

Contents

Preface iii

Allenville: Changes in the Past 1

Allenville: Challenges of the Present 2

School Project Profiles

- Deposit, NY A-1
- Danville, IA B-1
- Ouzinkie, AK C-1
- Quitman, GA D-1
- St. Pauls, NC E-1
- Russiaville, IN F-1
- Belle Fourche, SD G-1

Allenville: Considerations for the Future 13

Final Comments 16

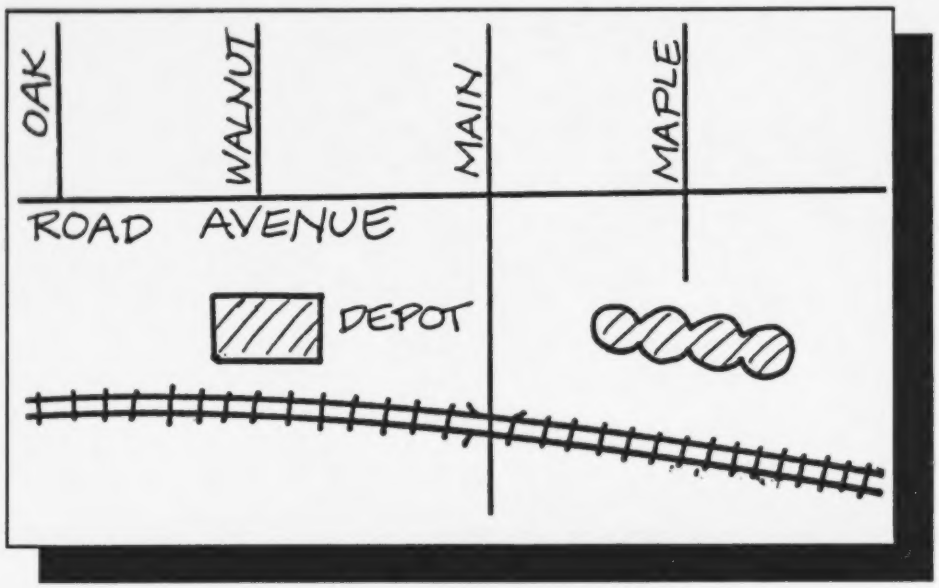
10 Strategies for Making the Connection 17

Legal Considerations for School Based Businesses ... 18

Notes 21

About the Heartland Center 22

Publication Order Form 24



Allenville:

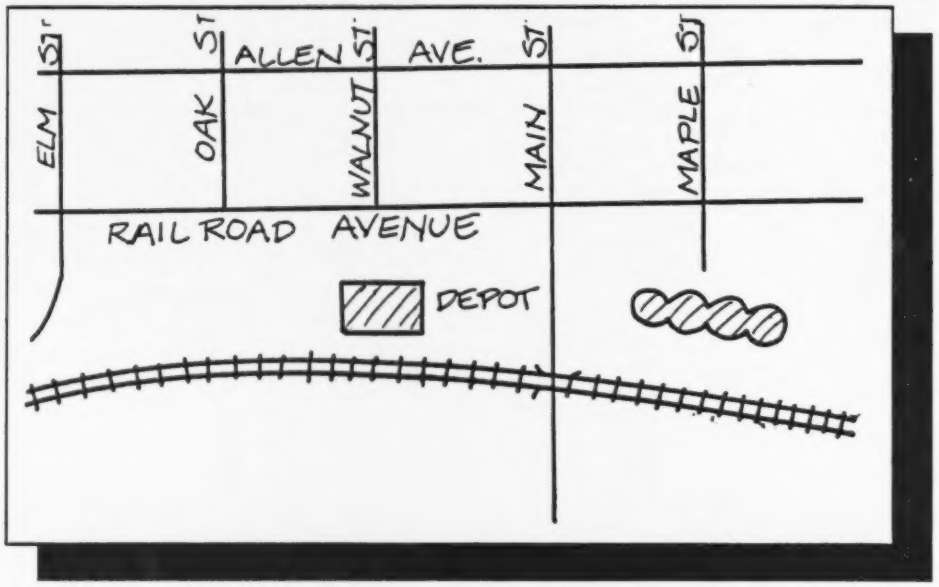
Changes in the Past

The old-timers around Allenville never dreamed the day would come when no more grain cars would roll through on the tracks at the south edge of town. As long as those trains stopped to load at the Coop Elevator, the townspeople felt secure. It's a good place to live, they said as they sat over coffee at Marie's cafe. It's a good place to raise kids, decent kids, out where the air smells of alfalfa and no smog smothers the stars at night.

It's a good place to live... out where the air smells of alfalfa and no smog smothers the stars at night.

Now all that had changed. First, the highway was rebuilt to bypass the town. Then the state mandated school consolidation and the elementary kids were bussed to Liston 9 miles away. The last straw was the railroad pulling out—said they were losing money.

The filling station moved out to the new highway taking Marie's cafe with it. Soon the grocery store proprietors gave in to the folks who wanted to shop at the new, slick Savin' Place in the county seat town. Not long after, the state bank followed suit. Their now empty windows gave the town the look of death. The hardware store and implement dealer were struggling to survive. Only Billy's Bar wore a look of life with its gaudy neon sign still aglow in red and green.



Allenville:

Challenges of the Present

The situation in Allenville is not, unfortunately, unusual for small-town America approaching the turn of the century. As Daryl Hobbs has noted, the economic conditions and the educational system which have brought us to this point have outlived their usefulness. The major challenge of these latter years of the Eighties is reassessing the direction we will choose to follow into the future. Rural America has not escaped the reality of this painful transition.

The consolidation of small farms into ever larger farms has decreased the number of farmers and will continue to do so. The regionalization of schools, retail trade, technical services, medical services, and government services has forced residents of small towns to become dependent on other communities for their worklife and daily needs. The change from an industrial economy to a service economy has changed the kinds of skills needed by young people while the signs advertising Allenville's Industrial Tract rust and peel out by Highway 37.

The major challenge of these latter years of the Eighties is reassessing the direction we will choose to follow into the future.

With all these facts and trends laid out for them, the folks in Allenville ought to be discouraged about the future of their town and their young people. They're not. In fact, they're surprisingly optimistic. The trend toward centralization and standardization of American society has been slowed. Rural people are reaffirming the value of rural areas and their uniqueness. They have come to see that the strengths of the community are not in some big corporation's temporary interest in a cheap labor market or in schooling young

people for jobs in the city. As their forebearers before them, they are beginning to realize that self-reliance is an attribute as valuable today as it was a century ago.

The town of Allenville, like others across the country, is embarking on an experiment in economic development. It started with the professionals at the school who saw the need for the school's being more responsive and responsible to the community. They saw the school as an underutilized resource for economic development. If they could create a vision of the community's potential, they reasoned, they might be able to keep the young people in the community after graduation. Such a result would certainly enrich and enliven the town with the younger generation's energy and know-how.

If they could create a vision of the community's potential... they might be able to keep the young people in the community after graduation.

Stemming the outward flow of young people and revitalizing the economic life of rural communities has become a two-pronged goal for schools like Allenville's. They are taking steps to initiate curricular revisions more relevant to the changing American economy. One change calls for greater cooperation between the school and the town's businesses. Students will survey the needs of the community and find enterprise niches which they can fill with appropriate training and hard work. The school sees itself as an incubator for future entrepreneurs who will be enticed to stay in the community after graduation. Cooperation between the school with its unique resources and the business community with its resources increases interdependence within the community and minimizes dependence on outside resources.

Any community can participate in this kind of partnership—as long as it is ready to take charge of its future, to be in control of its own destiny. The possible forms of such projects are limited only by the imagination of school personnel and local businesses (and legal limits which are considered later). This report introduces several cases from across the country where such school-community cooperation is taking shape.

A composite profile of the schools and communities cited indicates the possibilities. Some have well-established programs, but others are in the early stages of planning and establishing ties with the community. The size of the community does not limit participation as the population base of the smallest community considered here is 172 and the largest is 4500.

From raising hogs to community planning, from day care to restaurant management, each school has identified those niches that can be usefully and easily filled for the benefit of all

concerned. The variety of high school courses whose content lends itself to promoting entrepreneurship includes: horticulture, marketing, small business entrepreneurship, construction, English, journalism, economics, and so on.

Financial considerations are as unique as the schools and communities. Sources of start-up funds vary widely and include state education grants, parental underwriting, loans from the school. Profits are assigned differently in different situations; wages are paid to students in some, but not in others; start-up funds and expenses vary widely.

From raising hogs to community planning, from day care to restaurant management, each school has identified those niches that can be usefully and easily filled for the benefit of all concerned.

Some programs have been encouraged by and are part of a larger education-economic project such as the Rural Education through Action Learning (REAL) program and the Mid-Continent Regional Educational Laboratory (McREL) and its associated Black Hills Special Services Cooperative.

From these wide-ranging characteristics, it is easy to see that the town of Allenville and its school should have no trouble in finding a way to help students design a viable and useful enterprise unique to their setting. The closer look at specific programs which follows shows that there are inspiring precedents to learn from, copy from, or diverge from. ■

" ...curriculum and school programs must respond to the need for entrepreneurial skills so that more new businesses can be 'grown' locally."

Milan Wall and Vicki Luther, Ed.D.
'Rural Schools and Economic Development'
Nebraska School Leader

Greenhouse Project, Deposit Central School District, Deposit, NY 13754, Pop. 1,900. Contact Person: William McCann; (607) 467-3397.

Deposit, New York

Just beyond the high school playing field on the grounds of the Deposit School, a greenhouse is in full bloom. Sparked by the school's biology teacher, the students in the junior/senior horticulture course (with a biology prerequisite) work for 1-3 hours credit while gaining valuable hands-on experience.

The greenhouse was built by the students using materials bought with $3,800 granted by the school district. An additional $500 came from the School Fund to get the project underway. There has been no outside funding. Profits from the sales of plants have been used to underwrite costs. No wages are paid to students. Two local shops have given students additional training and experience—and they buy bedding stock from the students' greenhouse.

Sparked by the school's biology teacher, the students in the junior/senior horticulture course work (in the greenhouse project) for 1-3 hours credit while gaining valuable hands-on experience.

Under New York's two-track system (Regents and non-Regents students), the project was intended for non-Regents students; but Regents students became interested and now participate, too. The greenhouse has given a focus to students who had previously been hard to handle in regular classes. An unusual angle is the participation of second graders who plant seeds under the supervision of the high school students to prepare for an annual plant sale (with sales of $1,000).

Good planning over several years before operations actually began has been basic to its initial success of the business, but the enthusiasm of all students involved has contributed to its ongoing success. Current plans are that the project will run indefinitely in its present form.

Every day the town of Deposit is reminded of the benefits of the program as students plant and maintain flower beds in the village and donate flowers to the Senior Citizens Center.

" ... the school is no longer a mere supplier of human resources, but actually uses those resources to create businesses and jobs."
Stuart Rosenfeld
'The High School in a Rural Economy'
Foresight

MOC-Entrepreneurship Project, Danville Community High School, Danville, IA 52623, Pop. 1,000. Contact Person: Frances Fairchild; (319) 392-4222.

Danville, Iowa

This year Danville Community High School, in the southeast corner of Iowa, is embarking on an experimental new venture as part of its 15-year-old Multi-Occupations Program, doing business as Seniors, Inc. The incorporated company will provide students with a realistic view of self-employment and is designed to accompany a comprehensive business unit in the MOC classroom.

The past two years have been devoted to planning and carrying out a pilot project. A marketing analysis revealed that a small jobs sub-contracting service would make a feasible start for the students and would not compete with any other in the area. By contacting businesses in the area, the students will identify jobs that they can bid on. They will then sub-contract them either to student groups such as the shop class at the school or to local fund-raising groups. Work anticipated on the basis of the community survey may include such jobs as assembling small items, stuffing envelopes, and delivering handbills.

A marketing analysis revealed that a small jobs sub-contracting service would make a feasible start for the students and would not compete with any other in the area.

Students will be responsible for overseeing the work, for insuring high quality, and for delivering the finished work on time. They will gain an understanding of the financial structure of a business through handling the necessary licenses, taxes, and insurance.

A $5,000 Educational Improvement Grant from the Department of Education will cover start-up costs including an Apple computer which currently is the only fixed asset of the Corporation. There will be no payroll or overhead. Profits will be used for special programs such as field trips to enhance students' education in the Multi-Occupational Program.

In their operation of the Corporation, students will have the benefit of advice from the Board of Directors and the Advisory Committee (which is made up of community leaders, school administrators, and the MOC Coordinator at the school).

"Though our approaches may differ...our mission as teachers is clear. It is...to help our students master the information they must have to be able to take their destinies into their own hands."

Eliot Wigginton
Foxfire 5

School-Based Enterprise, Ouzinkie High School, Ouzinkie, AK 99644, Pop. 172. Contact Person: Ron Gibbs; (907) 680-2204.

Ouzinkie, Alaska

The tiny island village of Ouzinkie (in the Kodiak Island group) can be reached only by air or water. Nevertheless, the 14 high school students through their Entrepreneurship class wanted to 'develop a business they could run.'

With their vocational education teacher they first conducted a survey of their community, the results of which were published as "Ouzinkie: An Analysis of the Economy and Community Profile." From their survey, the students identified a possible 61 enterprises that could fill niches in the economy of the community. After interviewing 51 people in the village, they narrowed the list of possibilities to 10. By trial and error, the possibilities were narrowed further. In the process, the students learned about many aspects which favor or restrict the setting up of a business. A plan for an herbal export business was drawn up in the first year. As the project progresses, the direction may change somewhat, but the experience gained by the students will not be lost.

The search for a feasible enterprise has taught the students more than their vocational education curriculum called for.

The search for a feasible enterprise has taught the students more than their vocational education curriculum called for. They have gained experience in working with the village council, the school board, local business persons, and state agencies; and they have also learned how to make presentations to various government agencies. Furthermore, the class has sparked some interest in post-secondary education and in business careers. Community adults have shown their interest and support by becoming involved in the Steering Committee and the Board of Directors and by becoming more involved in the activities of the school.

Initially, $500 was made available for the vocational education teacher to attend a summer institute on Small Business Entrepreneurship Education, funded through the federal Carl Perkins Act. $5,000 was granted to revise the curriculum and to provide start-up expenses. A state grant made possible the use of a marketing firm and a financial firm for assistance in planning. Some funds have also been made available from school activities and the community.

"Educational programs have...become more involved in programs to enhance small business and to promote entrepreneurship...(and are) a valuable resource for communities attempting economic growth and revitalization."

Mary Emery, Diane Horton and Robert H. McDaniel
Community Education and Economic Development: Activites in the Field and Potential New Models

Child Development Center, Construction Operation, and Swine Breeding Farm, Brooks County High School, Quitman, GA, Pop. 2,400.
Contact Person: Ronald Peterson; (912) 263-8923.

Quitman, Georgia

Brooks County High School in Georgia, where 70 percent of the students live below the poverty level, has given new hope to the future of these young people and the community. The hope is in a very practical form. Starting with a market study to determine niches in the local rural economy which could be filled by small businesses, three enterprises have been started.

The Child Development Center not only provides supervised day care for the children of working parents in the area, but also trains students to become licensed day care providers as well as better parents.

The second enterprise updates training in hog management by using the computer and hands-on experience to teach students to manage a Swine Breeding Farm from which feeder pigs are sold to area farmers.

The Construction Operation is an extension of the vocational education curriculum. The students in these courses built the facilities for the day care center and the swine breeding project. It provides experience in many types of construction which helps the community as well, such as laying sidewalks and building adjunct facilities for the baseball field.

In a very real way, the new sense of community created by opening up new jobs gives young people a reason to remain in the area.

The enterprises grew out of an association with the Rural Education through Action Learning (REAL) and, in particular, the Georgia School-Based Development Enterprises which aims to teach students entrepreneurial skills which will service them and the community both now and in the future. In a very real way, the new sense of community created by opening up new jobs gives young people a reason to remain in the area. Now in the last year of a five-year plan, there are new incentives for community economic growth.

"...small businesses with their strong community ties and their vested interests in local development, will eventually fortify rural economics."

Stuart Rosenfeld
'Something Old, Something New: The Wedding of Rural Education and Rural Development'
Phi Delta Kappan

Way Off Broadway Deli, St. Pauls High School, St. Pauls, NC 28384, Pop. 1,600. Contact Person: Sara Hayes; (919) 865-4177.

St. Pauls, North Carolina

In 1985, one fact was obvious: 22,500 cars per day passed the St. Pauls exit on Interstate Highway 95. This untapped resource for this small rural community became the focus of two years of planning led by the St. Pauls High School marketing teacher and about 30 students. The result: The Way Off Broadway Deli, located near the I-95 exit to cater to passers-by.

Students who are in 9th through 12th grades (and who are at least 15 years old) spend one hour a day in class and up to 30 hours a week working in the Deli for wages. Classes lending students expertise for their worklife include Small Business Entrepreneurship, Marketing, and Marketing Merchandising for which they receive school credit.

Support for the project has come from REAL and the Small Business and Technical Development Center at the University of North Carolina. Salaries are supported by the Job Partnership Training Act. The project also received a Sex Equality Grant. Local businesses helped develop a business plan and contributed to the project, and the school board bought the building where the Deli is located. This kind of cooperation has been very influential in the success of the Deli.

With sales of $18-20,000 per month and a monthly payroll of $7,000, the enterprise generates tax revenue for the community and brings in outside dollars.

"Yes, it is a success," says the marketing teacher. The students know more about how to earn a living and take great pride in their accomplishments. With sales of $18-20,000 per month and a monthly payroll of $7,000, the enterprise generates tax revenue for the community and brings in outside dollars. The current plan is a three-year project. The leaders then expect to spin off another business such as a Putt-Putt golf course.

"Creative coupling...of education and development in the service of rural revitalization may be one of the more fruitful innovations."

Daryl Hobbs
Learning to Find the "Niches": Rural Education and Vitalizing Rural Communities

Entrepreneurship in Vo-Ag, Western High School, Russiaville, IN 46979, Pop. 973. Contact Person: Don Connelly; (317) 883-5541.

Russiaville, Indiana

Western High School is in business—two businesses, in fact. One is a pedigree Duroc hog enterprise and the other a truck and tractor salvage business. After five years experience with the Entrepreneurship Class, the vocational educational teacher says that students find it "an exciting course".

At the sophomore and junior levels, students in the first year two-semester course, called Production Agriculture, become familiar with business procedures and concepts. In the second year two-semester course, called Agri-Business, they learn the economic aspects of business. The use of integrated computer software—specifically for spreadsheets and business simulations and for word processing—is emphasized. Outside class, the students put in an hour and a half a day working with the businesses.

Community cooperation and input have been a key to the success of the program. Business expertise has been provided by a group of retired area business professionals. And financial support for the projects has come from the parents and an Indiana Department of Education grant.

The course did not appear full blown at the outset, however. The vo-ag teacher working with two Purdue University professors put the course together and wrote materials for it. The text is entitled, *The Creative Young Entrepreneur* and there are a corresponding teacher's manual and a student work book. Students learn by envisioning their own business and writing a workable plan for it according to self-started goals. For students who might in earlier years have returned to work a successful family farm, the course provides an insight into self-employment in farm and non-farm businesses. This is valuable training at a time when most farmers must work at a second job to allow them to stay on the land.

Community cooperation and input have been a key to the success of the program. Business expertise has been provided by a group of retired area business professionals. And financial support for the projects has come from the parents and an Indiana Department of Education grant.

"... rural schools are confronting problems which necessitate innovation."

Daryl Hobbs

Learning to Find the "Niches": Rural Education and Vitalizing Rural Communities

THIS, Belle Fourche High School, Belle Fourche, SD 57717, Pop. 4,500.
Contact Person: Paul Dingeman, High School Principal; (605) 892-2035.

Belle Fourche, South Dakota

The students in Belle Fourche used to feel that anyone who stayed in the community after graduation had somehow failed. With the encouragement of the Mid-Continent Regional Educational Laboratory (McREL), the school determined to change that attitude.

The first year in operation saw a multi-faceted approach to updating the high school curriculum reflecting the challenge of the future and the skills students will need to meet that challenge. A class in Research and Development, composed of a hand-picked group of mostly 9th & 10th graders as a pilot group, began in 1987. In addition, changes were made in the English, Journalism, Historiography, and Building Trades curricula to teach students the elements of: 1) critical thinking; 2) independence; 3) risk taking; and 4) dealing with failure. These elements are projected to be added to all classes in the future.

The first year... saw a multi-faceted approach to updating the high school curriculum reflecting the challenge of the future and the skills students will need to meet that challenge.

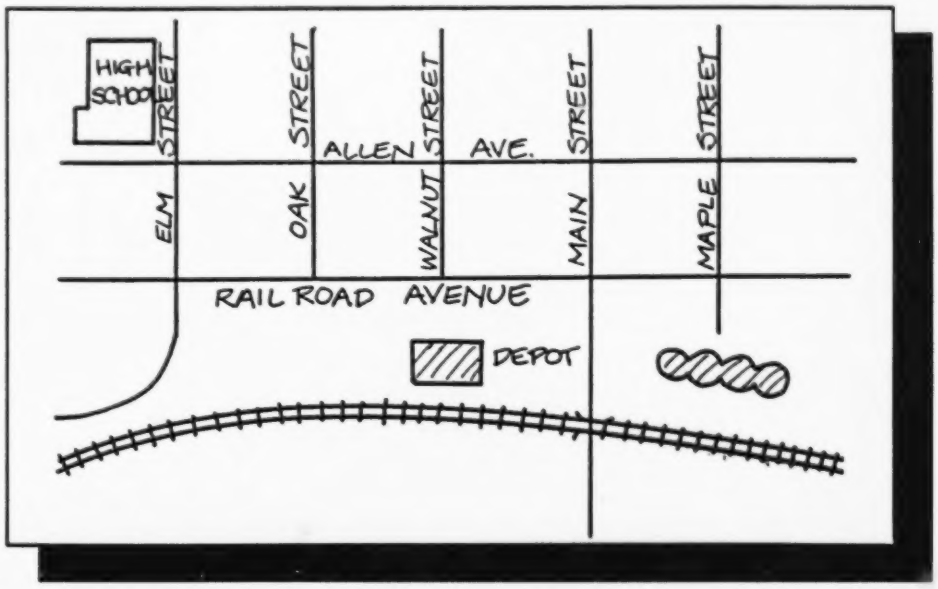
As a preliminary venture, the R & D class established an in-house student-operated center to sell school supplies and snacks to students. (In the future, students will be required to work with the center before they can be involved in a community-based business.)

Other facets of the curricular change include journalism students writing for the local newspaper rather than a school paper, historiography students developing a book with the local centennial committee, building trades students contracting to construct small buildings, and creative writing students developing stories with an eye to marketing materials on the

culture and history of the area for tourists.

A Board of Control composed of students from the R & D class oversees all aspects of the various projects. Profits are handled in several ways. In some cases they are divided up among the student workers; in others they are put back into the business. There have been no grant monies for start-up funds, but the school principal has made small amounts available on loan to the students.

It is too early to say how the overall program will affect the high school students and the community, or even what directions will evolve, but the school is committed to the students' future in a changing economy.



Allenville:

Considerations for the Future

The excitement such innovative programs can engender in rural communities is obvious. The older folks in Allenville have dreaded what seemed to be the slow death of the town and especially the community spirit that had characterized their youth so many years ago. They are glad to see that this crop of young people (with the guidance of school staff) are seeing the value of staying in "such a good place to live". Down at Marie's the talk is about this school-based enterprise that's beginning to take shape. One long time resident says it would make Ol' John Allen mighty pleased to know that the young people are carrying on his dream. From the experiences of the school-based businesses reported above, the Allenville high school has several models to study and to emulate or adapt to the community. These enterprises have not been successful by accident, however. Certain characteristics which have contributed to that success appear again and again.

These school businesses... have not been successful by accident.

1. The classroom teachers involved are people of vision, energy, and commitment. Since the greatest burden of the start-up program falls on the teachers who plan and supervise the venture, their personalities and interactions with students are important key elements to success. Furthermore, they are more likely to continue their high level of success if they have had at least minimal business training such as at seminars offered by various small business agencies, both public and private.

2. Careful planning is seen as essential. How much is enough and just what kind of planning is not entirely clear, however. Two approaches seem to suggest themselves. One plan

emphasized maximum flexibility and creativity by proposals and testing a revision in the light of the stated goals and experience. This approach allows for a reasonably quick change of direction as needed. The other calls for a structured plan that anticipates and solves as many problems as possible on paper by laying out a step-by-step procedure to follow before implementation begins.

3. The enterprises undertaken fit an unfilled niche in the community economy. That is, a successful school-based enterprise complements and cooperates with existing businesses in the community, rather than competing with them.

4. The school curriculum enhances students' entrepreneurial skills. The opportunities to bring all facets of the students' schooling into a sharper focus through intra-school cooperation helps students see the value of staying in school and learning all they can while they are there.

5. The school works closely with the community. In rural school settings, it is easy to maintain a reciprocal relationship. Residents advise and support the venture and revitalize their interest in the school; students reaffirm the value of their community and provide needed services.

In Allenville, the townspeople are ready to cooperate with the teachers and students embarking on this experiment; but in spite of close cooperation, there will be problems to solve before economic benefits begin to flow into the community. Even the school-based enterprises already underway have not found answers to them all. The need for further experience and further study is obvious. Since our country has long believed that a definite demarcation between education and business is the wisest course, there are questions of legality to be answered. This involves laws at several levels. Each school will have to seek answers to such issues according to its situation.

... a successful, school-based enterprise complements existing businesses rather than competing with them.

Other unanswered questions suggest themselves. One relates to the type of school proposing the enterprise. In situations where small school districts have merged, the structure of a school district and the community or communities from which it draws need to be considered. The location of the high school in one of the participating towns or in none of them (i.e., on a rural campus away from any of the towns) may affect the kind of program that meets the needs of the various communities involved. For instance, the high school in Allenville draws students from several rural communities. Should the program directors undertake several distinctive projects to benefit each community represented in the student body? Or, should they concentrate on one project in just one of the communities which

can be used as a model and adapted to and adopted by the other communities? Or should a new project be started in Community A one year, Community B the next, and so on? Strategic planning is crucial at the outset.

Still another question concerns the provision that a school and a community make for follow-through. Is the enterprise envisioned as a limited term project which will continue under a new owner and paid workers from the community? Will the school begin a new project each year to add to the viable businesses on Main Street? Is the school prepared to continue some kind of assistance to its graduates who do become small entrepreneurs (such as computer time)?

Another aspect of follow-through concerns the teacher or teachers involved. What will happen if the key teacher retires or moves on to a different school system? Since the disincentives for teachers to remain in small towns are numerous, how should the planning provide for such a possibility?

Related to this question is the teacher hiring. Are college students currently being trained to anticipate the possibility of undertaking a school-based enterprise? Should a school already involved in a business, but losing its teacher, limit its hiring potential by trying to find someone with experience or training to replace the teacher leaving?

Strategic planning is crucial at the outset.

The possibility of failure is a specter for both individual students and for the project itself. How can schools anticipate and cope with such an eventuality? Should the project be bolstered at all costs? If failure becomes inevitable, what effects will it have on the community?

These and other questions will be confronted in the school-community cooperative effort. Many problems can be alleviated if the schools which are experimenting with school-based businesses share their experiences with each other and with schools just beginning such partnerships. Follow-up studies will show the creative ways schools and communities have chosen to deal with them.

Some Final Comments

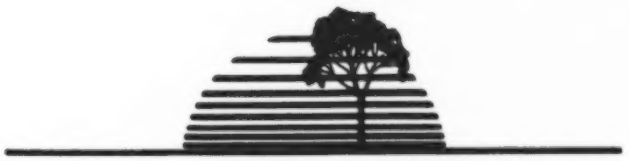
With the passing of the small farm era, the railroad, and multiple local services, change has been thrust on rural communities. Still, in spite of inevitable adjustments, the opportunities today are more promising and exciting than they have been for some time. Rural towns like Allenville can look forward to a better future by making use of their best, but underutilized, resource—the local school. Young people can be encouraged to stay in (or return after college to) their home community—if they can make a living. Even with the limited experience to date, school-based enterprises appear to hold one of the keys to a viable future for such areas.

Rural schools that take the initiative to use their resources for entrepreneurship programs are making a significant investment in their own future.

The scope for creativity and ingenuity is unlimited. The experiences of the schools detailed in this report show that such programs can be tailored to any situation. Rural communities have the advantage of size. Their very smallness allows students, teachers, administrators, business people, and resident consumers to work closely together to solve the problem of community decline.

There is no question that investing in the young people of a small community is everybody's business. Rural schools that take the initiative to use their resources for entrepreneurship programs are making a significant investment in their own future.

There are a number of ways that school-community partnerships can begin. The list compiled by Wall and Luther in their "10 Strategies for Making the Connection" provides good starting points.



Heartland Center for Leadership Development

10 STRATEGIES FOR MAKING THE CONNECTION: Rural Schools and Economic Development

1. Chamber-School Committee Membership. Appoint educators to Chamber of Commerce committees; appoint business people to school committees. Ask participants occasionally to report to their respective boards on what they are doing.

2. Joint School Board-Chamber Meetings. Schedule regularly a joint meeting of the School Board and the Chamber of Commerce to share information relevant to economic development.

3. Economic Surveys by School Classes. Ask high school classes or clubs to conduct community surveys to help determine current economic activities, trends, and projections.

4. Career Awareness Days. Ask local employers to act as "mentors for a day" for high school students as a means of career exploration.

5. Teacher-Business Exchanges. Sponsor a one-day "job exchange" program, asking teachers to work in businesses and business people to work in schools. Hold a follow-up discussion.

6. Entrepreneurship Education. Sponsor a class in the high school on starting and operating a small business, with guest speakers from local businesses as an integral part of the instructional plan.

7. School Facilities as Incubators. Make available under-utilized school facilities as small business incubators. Hire students to provide support services.

8. School-Based Businesses. Initiate a program that will help students explore, start and operate businesses filling gaps in available local services.

9. Joint Economic Development Planning. Ask the School Board, County Board, Town Council and Chamber of Commerce to develop a joint area economic development action plan, using the unique strengths and contributions of each partner.

10. Public-Private Partnership for Leadership Development. Develop a public-private partnership for leadership development, focusing the program on developing local capacity and nurturing local resources that are critical to economic renewal.

© 1988 Heartland Center for Leadership Development

941 O Street • Suite 920 • Lincoln, NE 68508
Telephone: (402) 474-7667

Legal Considerations for School-Based Businesses

School boards which are thinking about establishing a school-based business, incorporating on-the-job training in a private business as part of the school's business curriculum or cooperating with local businesses in some other manner must take several legal considerations into account. Given that laws vary from state to state and that their application will depend upon the facts of each circumstance, boards should consult their attorneys about the laws affecting each program. This article will identify some of the considerations which should be reviewed.

Providing a safe environment and supervising all students are among the paramount responsibilities of school districts. If a school operates a business on school property and under the direction of school personnel, it will be relatively easy to assure that students are given the same level of supervision in their business endeavors as in their other school activities. However, it is important to keep in mind that the school district is responsible for assuring adequate supervision of students, whether their business activities take place on or off school grounds. In any cooperative effort in which students perform work off the school grounds and away from the supervision of school employees, the school board should review the workplace, work to be performed, and business personnel to assure a safe environment and proper supervision for the students.

Providing a safe environment and supervising all students are among the paramount responsibilities of school districts.

Safe travel to and from an off-campus business site is an important concern. The safest method would be for the school district to provide transportation to and from the job. However, that will not be practical in many instances. When the school district cannot provide transportation, it should assure itself that the students are familiar with the traffic during the times of day they will travel to and from their jobs. The school should establish a clear understanding with the students and their parents that they bear the risk of any injury which may occur while traveling to and from the job.

In any cooperative effort with a private business, it would be advisable to create a written agreement setting out the parties' obligations and the program's goals and methods. The process of clarifying the program and committing it to writing should help both the school and private business representatives think through and define the program. Among other things, the agreement should define the work which the student(s) will perform; set forth any applicable prohibitions (e.g. the student will not perform any work which is dangerous to life or limb or work which endangers his or her health); specify the hours of employment and the wages to be paid or; in the alternative, establish limits for the hours and wages (e.g. there will not be any work beyond the hourly limits set out in statute or applicable regulation and the pay shall be minimum wage or such lower wage as is authorized by statute or regulation); identify the goals and methods of the program; assure responsible supervision of the student(s); and set out the private business's commitment to abide by all applicable laws and regulations.

The school should take care to see that all applicable federal laws and regulations are complied with. For example, if the student does not meet the minimum age standards of the Fair Labor Standards Act, the Wage-Hour Division will deem the employment to be "oppressive child labor." The result may be civil penalties of up to $1,000. Federal law limits the types of employment, hours of employment and amount of employment for 14- and 15-year-olds. They may be employed only to the extent that their employment does not interfere with their schooling or their health and well-being. Federal wage and hour laws list 17 areas of employment which are considered too hazardous for children under 18 years of age. However, some of the orders prohibiting the employment of children below the age of 18 in hazardous non-farm occupations contain narrow exemptions which make it possible to employ children below 18 as apprentices or student learners after the proper certificates have been obtained.

The process of clarifying the program and committing it to writing should help both the school and private business representatives think through and define the program.

Schools should also be careful to see that all applicable state laws and regulations regarding child labor are complied with. Like federal laws, state laws also limit the types of employment, hours of work, and amount of work in a week which children may perform. Frequently, employers are required to obtain working certificates prior to the employment of children of specified ages.

As a protective measure, school officials should confer with the school district's insurance agent(s). The insurance agent(s) will be able to help the school representatives determine the nature and extent of risk caused by operating a business on school grounds, co-sponsoring ventures with local businesses, or providing on-the-job student business experience as part of the school district's curriculum.

... school officials should confer with the school district's insurance agent(s)... (to) assure that they and their students are properly insured.

Though it is impossible to foresee or prevent all the problems that may arise, school districts can at least assure that they and their students are properly insured against whatever may go wrong.

Notes

1. A partial list of the literature addressing the school-community partnerships includes the following:

Emery, Mary, Diane Horton, and Robert H. McDaniel. 1988. *Community Education and Economic Development: Activities in the Field and Potential New Models.* Washington State University Center for Community Education and Economic Development, June 1988.

Hobbs, Daryl. *Learning to Find the "Niches": Rural Education and Vitalizing Rural Communities.* Unpublished mss.

Rosenfeld, Stuart. 1983. *Something Old, Something New: The Wedding of Rural Education and Rural Development.* Phi Delta Kappan, November 1983.

Rosenfeld, Stuart. 1985. *The High School in a Rural Economy. Foresight,* Summer 1985.

Wall, Milan, and Vicki Luther. 1988. Rural Schools and Economic Development. *Nebraska School Leader,* Spring 1988.

Wigginton, Eliot. 1979. *Foxfire 5,* Anchor Press/Doubleday, 1979.

2. REAL (Rural Education through Action Learning) Enterprises is a "non-profit organization working through state affiliates to assist school systems and community organizations interested in school-based enterprises." The program consists of classroom work and hands-on experience. The agency can be reached by writing to REAL Enterprises, Chicopee Complex, 1180 East Broad Street, Athens, GA 30602, or at (404) 542-6806.

The Black Hills Special Services Cooperative (BHSSC), under the auspices of the Mid-Continent Regional Educational Laboratory (McREL), sponsors the federally-funded Rural School and Community Development Project to "improve educational opportunities for rural youth (and) improve the economic health of the community." This is being done by redefining the mission of the schools to become active participants in community betterment through school-based enterprises. The BHSSC can be reached at P.O. Box 218, Sturgis, SD 57785.

About the Heartland Center

The Heartland Center for Leadership Development is an independent, nonprofit corporation engaged in a variety of activities designed to help recognized and emerging leaders approach confidently the challenges associated with fundamental change.

The Heartland Center was organized by a group of Great Plains leaders as an outgrowth of Visions from the Heartland, a grassroots futures project. The Center is known nationally for its innovative research on rural leadership and especially for its study on "Clues to Rural Community Survival."

The Heartland Center is recognized as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code. It is governed by an independent Board of Directors. A nationwide perspective is added through the National Council of Advisors.

Heartland Center programs include:

- Training for leaders in communities, businesses and organizations to help them deal with fundamental change by finding opportunities where others may see only threats.

- Assisting communities and organizations in developing a capacity for strategic planning and tackling problems of the future through solutions they themselves take the lead in devising.

- Helping policymakers clarify questions key to the future of communities and states and promoting broad-scale public participation in the search for workable yet innovative solutions to problems brought on by significant change.

- Conducting research related to leadership and its potential impact on quality of life, public policy, and business and community prosperity.

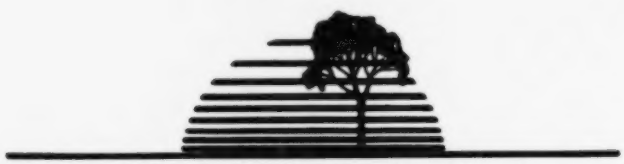
Management of the Heartland Center rests with Co-Directors Vicki Luther and Milan Wall, who guide programs from offices in Lincoln, Nebraska.

Milan Wall, a native of Nebraska, is an expert in strategic planning and communications for nonprofit organizations, government agencies and small businesses. A former journalist, Wall served as executive vice president of the University of Mid-America and was elected twice to the Lincoln Board of Education.

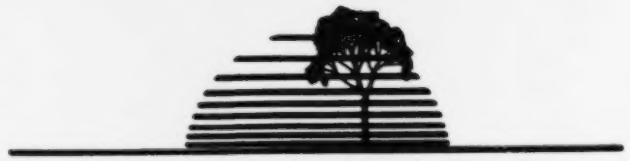
Vicki Luther, a Pennsylvania native, is an expert in community development, training and use of futuring as a planning tool. Formerly a staff member of the Partnership for Rural Improvement in Washington state, Dr. Luther also served as assistant director of the Nebraska Commission on the Status of Women.

Luther and Wall co-founded the Heartland Center with Robert Theobald, the economist and futurist from Arizona, and Roger Beverage, now executive vice president of the Oklahoma Bankers Association. Both serve as members of the Center's National Council of Advisors.

(See reverse for Board of Directors and National Council of Advisors.)



Heartland Center for Leadership Development
941 "O" Street • Suite 920 • Lincoln, NE 68508
402-474-7667



Heartland Center for Leadership Development

Board Members

Martha Beaman
Assistant Director of
Professional Services
Ameritas Financial Services
Lincoln, Nebraska

Peter Bleed
Associate Professor of Anthropology
University of Nebraska - Lincoln

Larry Dlugosh
Superintendent of Schools
Grand Island, Nebraska

Nette Nelson
Vice President
Nebraska Research and
Development Authority

Charles Schroeder
Vice President
University of Nebraska Foundation

James Seacrest
President
Western Publishing Co.
North Platte, Nebraska

Executive Staff

Vicki Luther
Co-Director

Milan Wall
Co-Director

National Council of Advisors

Ann Abbe
Executive Director
Alumni Association
University of Texas at Arlington
Arlington, Texas

Janet S. Ayres
Assistant Professor of Agricultural
Economics
Purdue University
West Lafayette, Indiana

Thomas B. Ballard
Executive Director
Institute for Public Service
University of Tennessee
Knoxville, Tennessee

Diana B. Beaudoin
Dean of Freshmen
Dartmouth College
Hanover, New Hampshire

Roger Beverage
Executive Vice President
Oklahoma Bankers Association
Oklahoma City, Oklahoma

Tony Chambers
Assistant to the Vice Chancellor for
Student Affairs
University of Missouri
St. Louis, Missouri

William F. Cunningham, Jr.
Vice President for Academic Affairs
Creighton University
Omaha, Nebraska

Kelsey Gray
Organizational Development Specialist
Washington State University
Pullman, Washington

Anne L. Hearn
Executive Director
Community Leadership Seminars
Philadelphia, Pennsylvania

Dwight A. Johnson
Assistant District Director for Business
Development
Small Business Administration
Kansas City, Missouri

Donald R. McNeil
Senior Program Officer
Academy for Educational Development
Washington, D.C.

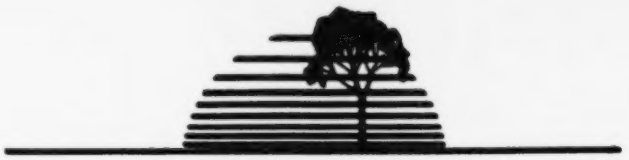
Susan Myers
Co-Director
Community Quest
Maple Grove, Minnesota

Neal R. Peirce
Contributing Editor
The National Journal and
Syndicated Columnist
Washington Post Writers Group
Washington, D.C.

Sandra K. Scofield
State Senator
49th District
Chadron, Nebraska

Irving J. Spitzberg, Jr.
Executive Director
Council for Liberal Learning
Association of American Colleges
Washington, D.C.

Robert Theobald
Author/Economist
Wickenburg, Arizona



Heartland Center for Leadership Development
941 'O' Street, Suite 920 • Lincoln, NE 68508
(402) 474-7667

PUBLICATIONS AVAILABLE FOR ORDER

Please use the attached form when ordering. Pre-paid orders at the prices listed. Orders billed will include an additional $1.00 handling charge per item. Prices include applicable sales taxes. Prices subject to change without notice.

Clues to Rural Community Survival **$7.50**

A research report of the Heartland Center identifying "20 Clues to Rural Community Survival" and based on a series of case studies of healthy rural communities in Nebraska. Report contains clues and their explanations, background on the project, and profiles of the communities studied.

Schools as Entrepreneurs: Helping Small Towns Survive **$4.50**

A research report of the Heartland Center on the role of rural schools in the economic development of small towns. Contained in this report is information on the entrepreneurial activities of seven community schools plus descriptions of their school-based businesses. Also included are "10 Strategies for Making the Connection" between rural schools and economic development.

The Entrepreneurial Community: A Strategic Planning Approach to Community Survival. **$5.00**

A 50-page practical guide to strategic leadership for smaller to medium-sized communities. Chapters with titles such as "Attitudinal Change" and "Expanding Access to Resources" include "how-to" sections with recommended activities for communities. Revised edition scheduled for publication in early 1989. (Check below to receive notice when available.)

At the Crossroads, Communications Era Task Force. **$3.00**

A popular introduction to the values people need to survive in a globally inter-dependent, communications-conscious age. Published with individual contributions of more than 2,000 people as an outgrowth of community renewal activities in the Northwest.

PUBLICATIONS ORDER FORM

Indicate number of copies of each report requested.

_____ **Clues to Rural Community Survival**

_____ **Schools as Entrepreneurs**

_____ **At the Crossroads**

_____ **Check if you want to receive notice of new publications.**

DETACH AND MAIL TO
HEARTLAND CENTER FOR LEADERSHIP DEVELOPMENT
941 'O' STREET • SUITE 920 • LINCOLN, NE 68508

Name _____

Title _____

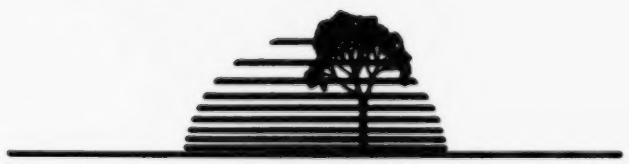
Organization _____

Address _____

City _____ State _____ Zip _____

Phone (_____) _____

Amt Enclosed $ _____ Send Statement ☐



Heartland Center for Leadership Development

941 O Street • Suite 920 • Lincoln, NE 68508